

The complaint

Miss M complains that Santander UK Plc (Santander) won't refund the money she lost to an investment scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here.

In summary, Miss M fell victim to an investment scam. She saw an advert on social media offering the opportunity to make money using AI to trade cryptocurrency. Miss M contacted the company and received instructions over WhatsApp on opening a wallet with a cryptocurrency exchange and then transferring the cryptocurrency on to the scammers.

Miss M made two card payments (from separate accounts she held with Santander) to the cryptocurrency wallet she had opened. The first payment was for £960 on 24 January 2025 and the second payment was for £4,500 on 25 January 2025.

Miss M says she realised she had been scammed when she was unable to withdraw her profits and was asked to make a large payment before the withdrawal request could be processed. Miss M also sent money to the scammers from another account she held with a different bank. For the avoidance of doubt, those payments have been dealt with by this service as a separate complaint and have not been considered as part of this complaint.

Miss M complained to Santander. She said she felt it should have intervened before processing the payments and, had it done so effectively, she would not have lost her money to this scam.

Our investigator upheld the complaint in part. He said he thought that Santander should have intervened when Miss M made the second payment of £4,500 on 25 January 2025. He said he was of the view that if Santander had intervened the scam could have been uncovered and stopped. He thought this payment should be refunded, but that 50% of this refund should be deducted due to Miss M's contributory negligence.

Santander did not accept our investigator's view and the complaint has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It isn't in dispute that Miss M authorised the payments she made to the cryptocurrency exchange. From there, I understand the funds were transferred on to the scammers. The payments were authorised by Miss M, and the starting position is that banks ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether Santander should have done more to prevent Miss M from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character for that account holder.

I don't think the first payment Miss M made on 24 January 2025 was sufficiently large or out of character for Santander to have believed that she was being scammed. The payment was for £960. I note that Miss M's previous account usage did not include sending funds to cryptocurrency providers, but given the value of the payment and that Miss M authorised the payment via Santander's two factor authentication system, I don't think it needed to do more.

The second payment for £4,500 was made the following day on 25 January 2025. This payment was made from another account Miss M held with Santander.

This payment was significantly larger than the payment Miss M had made the previous day to the same cryptocurrency exchange. I am mindful that payments made to the same payee over a short period of time, particularly for increasing value, are often the hallmark of a scam. So, taking into consideration that the payment was much larger than was usual for Miss M, based on her previous account usage and that Miss M had made a payment to the same cryptocurrency exchange the previous day – albeit from a different account with Santander - I think this payment ought reasonably to have been considered unusual and triggered an intervention by Santander.

Like our investigator I think that had Santander intervened at this point and asked suitably tailored questions, there is no reason to suggest she wouldn't have answered its questions truthfully. There is no evidence of coaching and Miss M hasn't told this service she was instructed to mislead Santander if asked, so I don't think that Miss M would have given an incorrect reason for the payment.

If Santander had asked Miss M about this payment, I think there would have been reasonable grounds for suspicion here. And Santander would have identified that Miss M was at risk of falling victim to a cryptocurrency scam. Santander ought then to have provided a scam warning in light of all the information then known to financial professionals about the risks associated with this type of scam.

I am of the view that if Santander had provided Miss M with a tailored warning, based on Miss M's answers to its questions, it would have led Miss M to question whether she was in fact dealing with a legitimate business – particularly in light of the guaranteed returns that she had apparently been promised by the scammers.

If Santander had asked suitably focused questions about the nature of this payment and provided a suitable tailored warning I think it would have likely stopped Miss M from making the payment. I therefore think Santander should refund the payment Miss M made in connection with this scam of £4,500 on 25 January 2025.

Contributory negligence

I've thought about whether Miss M should bear any responsibility for the loss she has suffered in connection with this scam. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

I recognise that there were some relatively sophisticated aspects to this scam, not least the platform used by the scammers, which Miss M has told this service was very professional. But as our investigator set out, I think there were elements of the scam that ought

reasonably to have led Miss M to be cautious. In particular, Miss M says she was not given any paperwork or a contract before she started investing. Given the amounts Miss M invested I think she ought reasonably to have expected a formal on-boarding process involving a terms of business and a contract setting out the arrangement between Miss M and the company.

I am also mindful that if Miss M had searched the name of the company she was investing with online she would likely have seen a number of warnings that businesses guaranteeing returns from cryptocurrency trading were not legitimate. Likewise, the scam website and domain, was linked to a top-level domain that had been widely used by scammers for phishing and other cybercrimes. Warnings online said that the domain used by the company Miss M was investing with, should be seen as a red flag.

Having carefully considered this matter I think a reasonable person ought to have realised that the investment being offered was likely to be too good to be true. I don't say this to blame Miss M for what happened, she has been the victim of a cruel scam. But I think she should have looked into the opportunity being offered more closely before investing large sums. I therefore think Miss M should bear some responsibility for her losses. I think in the circumstances of this complaint, it would be fair to reduce the amount Santander pays Miss M because of her role in what happened. I think a fair deduction is 50%.

Recovery

I've also thought about whether Santander could have done more to attempt to recover the payments after Miss M reported the fraud. This service would only expect Santander to raise a chargeback if it was likely to be successful. Based on the available information I don't think a claim would have been successful.

I say this because Miss M paid a legitimate cryptocurrency exchange and she received a service from the exchange.

Santander could only have processed a chargeback claim against the recipient of the payments, the cryptocurrency exchange. As Miss M received a service from the exchange I do not think there was any prospect of success if Santander had processed a chargeback claim against it. I therefore don't think it acted incorrectly by not raising a chargeback claim.

Putting things right

For the reasons set out above, I uphold this complaint in part and direct Santander UK Plc to:

- refund the second payment Miss M made as part of this scam, of £4,500 on 25 January 2025. Then reduce this by 50% to take account of Miss M's contributory negligence.
- Pay 8% simple interest per year on this amount, calculated from the date of the payment until the date of settlement.

My final decision

My decision is that I uphold this complaint in part. In order to put matters right Santander UK

Plc should pay the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 March 2026.

Suzannah Stuart
Ombudsman